



## CODE OF BUSINESS CONDUCT AND ETHICS

### PURPOSE

Bluestone Resources Inc. and its subsidiaries (collectively, the “**Company**”) is committed to:

- (a) honest and ethical conduct;
- (b) full, fair, accurate, timely and understandable disclosure in the Company’s public reports and communications; and
- (c) compliance with applicable governmental laws, rules and regulations.

Accordingly, the Company’s Board of Directors (the “**Board**”) has developed and adopted this Code of Business Conduct and Ethics (this “**Code**” or “**Policy**”) applicable to all directors, officers, employees, agents, consultants and contractors (each, a “**Subject Person**”) with the goal of promoting the highest moral, legal and ethical standards and conduct within the Company. Compliance with this Code and high standards of business conduct is mandatory for every Subject Person. The cooperation of every Subject Person is necessary to maintain the Company’s reputation with its shareholders, business partners, prospective investors and other stakeholders for honesty and integrity, which is key to the continued success of the Company’s business.

### EXPLANATION OF THE CODE

It is the responsibility of all Subject Persons to become familiar, and to comply with, this Code. While this Code is not intended to be a comprehensive guide to all the Company’s policies, it provides general parameters to assist Subject Persons in resolving ethical and legal issues which may be encountered in the conduct of their duties on behalf of the Company. Subject Persons must not assume that questionable activities not specifically prohibited by this Code are permissible. **Violations of this Code, of any of the Company’s other corporate policies or any applicable law may lead to disciplinary action, including dismissal.**

An explanation of each of the principles of business conduct dealt with in this Policy is set out below. All questions by employees, officers and directors pertaining to this Policy should be directed to such person’s supervisor or **[the Chief Executive Officer of the Company (the “CEO”)]**. All questions from agents, consultants and contractors should be directed to the employee responsible for supervising such person’s work.

### PRINCIPLES OF BUSINESS CONDUCT

#### 1. Workplace

##### 1.1 Discrimination and Harassment

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment of any kind. Examples of conduct that will not be tolerated include derogatory comments based on racial, ethnic or religious characteristics, age, ancestry, citizenship, disability, family status, marital status, gender, sexual orientation, unwelcome sexual advances or comments and any other ground of discrimination prohibited by law.

## **1.2 Substance Abuse**

The Company is committed to maintaining a safe and healthy work environment free of substance abuse. Subject Persons are expected to perform their responsibilities in a professional manner and to be free from the effects of drugs and/or alcohol.

## **1.3 Health and Safety**

The Company is committed to providing a safe, healthy and productive work environment, and to promoting safe and productive work practices throughout its operations. Subject Persons must comply with all occupational health and safety laws, regulations and rules applicable to the business and operations of the Company. Subject Persons have a responsibility to promote health and safety in the workplace and must report or correct dangerous conditions immediately so that workplace accidents are minimized.

To protect the safety of all Subject Persons, Subject Persons must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of alcohol and/or illegal drugs in the workplace is prohibited.

## **1.4 Environment**

The Company is committed to protecting the environment and complies with all host country environmental laws and regulations and makes every effort to comply with international good environmental practices. The Company applies the precautionary principle to minimize environmental risks and is committed to returning all sites to a high environmental standard at the end of the project cycle.

## **2. Business Practices**

### **2.1 Conflicts of Interest**

A conflict of interest occurs when one's private interests, or the private interests of one's family, interfere, or appear to interfere, in any way, with the best interests of the Company. Any situation where the judgment of a Subject Person may be compromised, where he or she shows undue favouritism to any party or where he or she receives a benefit of some kind is potentially a conflict of interest. All Subject Persons must strive to avoid situations that create a conflict, create the appearance of a conflict, or have the potential to create a conflict. The following are examples of conflict of interest situations which generally must be avoided, or which may raise a question:

- acting as an employee, officer or director of, or a consultant to, a competitor or potential competitor of the Company;
- having a financial interest in or loan from a business which is a joint venture partner, optionor or optionee, competitor, customer or supplier of the Company or which otherwise does business with the Company (a non-material investment in the securities of a publicly traded company normally would not be considered to present a conflict of interest); and
- placing of Company business with any other company that is directly or beneficially owned or controlled by a Subject Person, or by members of a Subject Person's family.

Subject Persons must fully disclose to their supervisor all circumstances that could be perceived as involving a conflict of interest between the Company and the Subject Person or members of the Subject Person's family. Full disclosure enables the Company to resolve unclear situations and to ethically handle conflicts of interest before any difficulty can arise. To the extent a conflict of interest cannot be avoided in a reasonable fashion, then appropriate procedures will be put in place to ensure that there is full

disclosure and to minimize the involvement of the conflicted individuals in the relationship giving rise to the conflict.

## **2.2 Corporate Opportunities**

Subject Persons must not appropriate for themselves the benefit of any business venture, opportunity or potential opportunity he or she learns about in the course of his or her employment or association with the Company when that opportunity could be of benefit or interest to the Company. A Subject Person must not use the Company's proprietary information or position for personal gain, and must not compete against the Company, either directly or indirectly.

## **2.3 Use of Company Assets**

The use of the Company assets for individual profit or any unlawful unauthorized personal or unethical purpose is prohibited. The Company's assets, including information technology, intellectual property, materials, supplies, cash and other assets owned or leased by the Company, must be used only for business purposes. Each Subject Person is responsible for protecting and safeguarding the Company's assets from loss, theft, misuse and waste.

## **2.4 Handling of Confidential Information**

Subject Persons must follow the procedures for safeguarding the confidentiality of undisclosed material non-public information set out in the Company's Disclosure Policy. Additionally, Subject Persons must safeguard proprietary information, which obligation continues even after employment or engagement with the Company ends. Proprietary information includes information that is not generally known to the public and has commercial value in the Company's business, such as, among other things, drill results, business methods, analytical tools, software programs, source and object codes, trade secrets, ideas, techniques, inventions (whether patentable or not) and other information relating to economic analysis, designs, algorithms and research, as well as information relating to marketing, pricing, clients, and terms of compensation for Subject Persons.

## **2.5 Information Technology**

The Company's information technology systems, including computers, e-mail, internet access, telephones and voicemail, are the property of the Company and are to be used primarily for business purposes. The Company's information technology systems may be used for minor or incidental personal use, provided that such use is not excessive or detrimental to the Company and does not impede on a Subject Person's ability to perform his or her duties. Additionally, Subject Persons may not use the Company's information technology systems to:

- allow others to gain access to the Company's information technology systems through the use of an employee's password or other security codes;
- send harassing, threatening or obscene messages;
- access the internet for inappropriate use; or
- send copyrighted documents that are not authorized for reproduction.

The Company has the right to access, monitor and review communications conducted using the Company's resources, and employees should have no expectation of privacy when using these resources.

## **2.6 Accuracy of Books and Records**

The books and records of the Company must reflect, in reasonable detail, all the Company's transactions in a timely and accurate manner in order to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles. All assets and liabilities

of the Company must be recorded as necessary to maintain accountability for them. All business transactions must be properly authorized. All transactions must be supported by accurate documentation in reasonable detail and recorded properly. The recorded value for assets must be compared to the existing assets at reasonable intervals and appropriate action taken with respect to any differences. No information may be concealed from the auditors, the Company's Audit Committee or the Board. In addition, it is unlawful to fraudulently influence, coerce, manipulate or mislead any independent public or certified accountant who is auditing the Company's financial statements.

## **2.7 Fair Dealings**

Each Subject Person must deal fairly and in good faith with other Subject Persons, securityholders, customers, suppliers, regulators, business partners and competitors. No Subject Person may take unfair advantage of anyone through manipulation, concealment, misrepresentation, inappropriate threats, fraud, abuse of confidential information or any other intentional unfair-dealing practice.

## **3. Anti-Corruption and Business Ethics**

### **3.1 Bribery and Other Improper Payments**

No Subject Person may, directly or indirectly, give, offer, demand, solicit or accept a bribe or any improper payment or incentive (such as any improper gift, gratuity, reward, advantage or benefit of any kind) to or from anyone in the course of conducting business on behalf of the Company, including for the purpose of obtaining or retaining business, or for any other advantage. For additional guidance on such matters, refer to the Company's Anti-Bribery and Anti-Corruption Policy, a copy of which is attached as Schedule "A" to this Policy.

### **3.2 Dealings with Government and Other Public Officials**

The Company's funds, other resources or services must not be used to induce any public or government official, in any country, to do any action in violation of, or refrain from doing, his or her lawful duty.

Subject Persons are strictly forbidden from offering, promising, authorizing, or giving, directly or indirectly, money, gifts, hospitalities, loans, rewards, bribes, favours or anything of value to any government official, agent or other intermediary with the intention of influencing the government official's decision-making with respect to obtaining or retaining business, to obtain an improper advantage, or for any other improper purpose. For additional guidance on such matters, refer to the Company's Anti-Bribery and Anti-Corruption Policy, a copy of which is attached as Schedule "A" to this Policy.

### **3.3 Gifts and Entertainment**

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures, they play an important role in business relationships; however, a problem may arise when such courtesies compromise – or appear to compromise – our ability to make objective and fair business decisions.

The Company strictly prohibits any Subject Person from giving, offering, promising, demanding, soliciting or receiving, directly or indirectly, a gift, or using corporate or personal funds, in such a way that could influence, or reasonably give the appearance of influencing, the Company's business relationship with any person, organization or group that does, or is seeking to do, business with the Company, or from a competitor of the Company. Notwithstanding the foregoing, the Company does not prohibit the giving or receiving of gifts of nominal or token value and does not prohibit expenditures of amounts for meals and entertainment and travel expenses that are ordinary and customary business expenses.

For additional guidance on such matters, refer to the Company's Anti-Bribery and Anti-Corruption Policy, a copy of which is attached as Schedule "A" to this Policy.

#### **4. Legal and Regulatory Compliance**

##### **4.1 Compliance with Laws, Rules and Regulations**

A variety of laws apply to the Company and its operations. It is the Company's policy to comply with all applicable laws, and no Subject Person has authority to violate any law or to direct another Subject Person or other person to violate any law on behalf of the Company. Each Subject Person is expected to comply with all such laws, as well as rules and regulations adopted under such laws. Ignorance of the law is not, in general, a defense to an action for contravention. The Company expects every Subject Person to make every reasonable effort to become familiar with laws, rules and regulations affecting their activities and to exert due diligence in complying with these laws, rules and regulations and to ensure that those individuals reporting to them are also aware of these laws, rules and regulations.

##### **4.2 Securities Laws and Insider Trading**

Subject Persons who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Company's business. All non-public information about the Company should be considered confidential information. To use material non-public information for personal benefit or to "tip" others who might make an investment decision based on this information is not only unethical but also illegal.

Please see the Company's Blackouts and Securities Trading Policy for further details on restrictions on trading and the use of the Company's information.

#### **COMPLIANCE WITH THIS CODE**

##### **1. Reporting Violations of this Code**

Any Subject Person who observes, learns of, or, in good faith, suspects a violation of this Code must immediately report the violation pursuant to the procedures for submission of complaints and concerns set out in the Company's Whistleblower Policy.

The Company will not tolerate any act of retaliation against any Subject Person who makes a good faith report of known or suspected acts of misconduct or other violations of this Code.

##### **2. Adherence to this Code and Disciplinary Action**

All Subject Persons have a responsibility to understand and follow this Code. In addition, all Subject Persons are expected to perform their work with honesty and integrity in all areas not specifically addressed in this Policy. The Company will take such disciplinary or preventative action as it deems appropriate, including dismissal, to address any existing or potential violation of this Code or of any of the Company's other corporate policies or any other law.

To ensure that Subject Persons are aware of this Policy, a copy of this Policy will be distributed to all Subject Persons who will be required to annually sign an acknowledgement that they have received, read, and will abide by the Policy. All Subject Persons will be informed whenever significant changes have been made to this Policy. All new Subject Persons will be provided with a copy of this Policy and advised of its importance. Any other stakeholders can refer to the Company website page for updated information on this Policy.

**3. Policy Review**

The Company will review this policy annually to ensure that it is achieving its purpose. Based on the results of the review, the Policy may be revised accordingly.

**4. Amendments to this Code**

The Company reserves the right to interpret and amend this Code and these policies in its sole discretion as it deems appropriate. Any amendments to this Code will be disclosed and reported as required by law.

Original approval date: March 8, 2018

Approved by: Corporate Governance & Nominations Committee and Board of Directors

## SCHEDULE "A"

### BLUESTONE RESOURCES INC. ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

#### Guidelines for Compliance with Canada's Corruption of Foreign Public Officials Act, US Foreign Corrupt Practices Act, and UK Bribery Act

#### 1. OBJECTIVE OF THE POLICY

Bluestone Resources Inc. (the "**Company**" or "**Bluestone**") is committed to conducting its business in accordance with applicable law and the highest ethical standards. That commitment is reflected in our Code of Business Conduct and Ethics and in this Anti-Corruption and Anti-Bribery Policy (the "**Policy**"), which is intended to provide guidance and procedures for compliance with Canada's *Corruption of Foreign Public Officials Act* ("**CFPOA**"), US Foreign Corrupt Practices Act ("**FCPA**"), UK Bribery Act ("**UKBA**") and local laws pertaining to bribery and corruption.

There are laws throughout the world combating bribery and corruption, particularly with respect to government officials, including laws that apply to Bluestone's international activities. Three such laws are the CFPOA, FCPA and UKBA. Although the CFPOA, FCPA and UKBA are laws of Canada, the United States and the United Kingdom, respectively, such laws can apply to Bluestone anywhere in the world. Additionally, Bluestone's international activities may be subject to local anti-bribery and anti-corruption laws.

Bluestone is committed to compliance with anti-bribery and anti-corruption laws, even if there may be a perception that local authorities do not enforce such standards.

#### 2. COMPLIANCE AND REPORTING

This Policy applies to every Bluestone employee, including but not limited to senior executive and financial officers, and to members of the Board of Directors and reflects the standards to which Bluestone expects all people and entities providing work or services for Bluestone ("**Employees and Agents**") to adhere to.

Employees and Agents are required to take all responsible steps to prevent a violation of this Policy, to identify and raise potential issues as soon as reasonably practicable, and to seek additional guidance when necessary. Bluestone Personnel who have any questions about this Policy are asked to contact Bluestone's Chief Financial Officer (the "**CFO**"), or any of the officers of the Company including the Chief Executive Officer (the "**CEO**"). Suspected violations of this Policy may be reported to Bluestone's CFO, the Audit Committee Chair, or the Whistleblower Hotline. Information on how to reach Bluestone's CFO, Audit Committee Chair, and the Whistleblower Hotline is posted on Bluestone's website at [www.bluestonerresources.ca](http://www.bluestonerresources.ca).

#### 3. BRIBERY AND CORRUPTION

##### ***What is bribery and corruption?***

Corruption is the misuse of power by government officials or other parties for illegitimate private gain. Bribery is the offer, promise or provision, directly or indirectly, of a loan, reward, advantage or benefit of any kind to a person in a position of power to influence that person's conduct to obtain or retain an improper advantage.

Offers or agreements to pay a bribe are sufficient to constitute a violation of the CFPOA, even if the bribe is not accepted, it is never actually received, or the objective of the bribe is not achieved.

Bribery and corruption can take many forms, including the provision or acceptance of:

- cash payments;
- jobs or "consulting" relationships for the official or his or her family or friends;
- stock options;

- commissions or kickbacks;
- investment opportunities;
- excessive gifts, entertainment or hospitality;
- payment of non-business-related or lavish travel expenses; or
- personal favours to the official or his or her family or friends.

There is no minimum value under the CFPOA, and even things of modest value can trigger a violation.

Corruption and bribery are never acceptable business practices. Employees and Agents are prohibited from offering, paying, promising or authorizing any bribe to any government official, either directly or indirectly.

### ***Who are Government Officials?***

The CFPOA defines government officials (“foreign public officials” in the statute) broadly to include any appointed, elected, or honorary official or any employee of a government, of a government-owned or controlled company, or of a public international organization. The definition encompasses officials in all branches and at all levels of government: federal, state or local. A person does not cease to be a government official by purporting to act in a private capacity, or because he or she serves without compensation.

Government officials relevant to Bluestone's business include the following:

- government ministers and their staff members;
- judges;
- ambassadors;
- officials or employees of government departments and agencies including customs, immigration, environment, mines and other regulatory agencies;
- military and police personnel; and
- mayors, councilors or other members of local government.

If you are not sure whether a person is a government official, please contact the CFO or CEO for further guidance.

Because benefits to close relatives, including spouses, children, parents or siblings, of a government official may be deemed by enforcement authorities as indirect benefits to a government official, any gift or entertainment provided to a close relative of a government official must comply with Sections 5 and 6 of this Policy. You must also consult with the CFO or CEO before entering into any contract or transaction with a close relative of a government official or a company owned or controlled by a close relative of a government official.

## **4. FACILITATION PAYMENTS**

A "Facilitation Payment" is a payment of minimal value made solely to expedite or secure the performance of a routine government action such as the issuance of a permit, license or other document to qualify a person to do business or the processing of official documents, such as visas and work permits. Under this Policy, even Facilitation Payments are prohibited.

## **5. GIFTS TO GOVERNMENT OFFICIALS**

A reasonable gift may be provided to a government official in appropriate circumstances, but only if:

- there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract;



- it is consistent with normal social or business customs in the official's country and with Bluestone's own business practices;
- it is provided in a transparent and open manner;
- the cost is reasonable; and
- it does not create a sense of obligation on the part of the recipient.

The provision to a government official of gifts or other benefits that do not meet those tests is prohibited, as are all gifts in the form of cash, stock or other negotiable instruments.

Any gift to a government official must be accurately accounted for and described in Bluestone records. The description should identify the nature of the gift, its value, the date it was given, and the identity of the recipient.

## **6. ENTERTAINMENT OF GOVERNMENT OFFICIALS**

The provision, directly or indirectly, of meals, entertainment, hospitality or any other benefit of any kind to a government official on a scale that might be perceived as creating an obligation on that official is prohibited.

In appropriate circumstances, reasonable meals, entertainment or other normal business hospitality may be provided to a government official, but only if:

- there is a direct connection to a legitimate business or promotional activity or the performance of an existing contract;
- it is consistent with normal social or business customs in the official's country and with Bluestone's own business practices;
- it is provided in a transparent and open manner;
- the cost is reasonable; and
- it does not create a sense of obligation on the part of the recipient.

When considering the reasonableness of the expense, consider the frequency with which such expenses are incurred for an official. Modest costs frequently incurred can, when aggregated, amount to lavish and potentially improper payments.

The provision of any meal, entertainment or other hospitality for a government official must be accurately accounted for and described in Bluestone's records. It must be accounted for in a separate expense report which identifies the type of benefit provided, its value, the date it was provided, and the identity of the recipient.

## **7. PAYMENT OF TRAVEL, EXPENSES AND PER DIEMS FOR GOVERNMENT OFFICIALS**

If a government department does not have adequate resources to undertake required tasks in connection with the regulation or approval of specific activities, Bluestone could be asked to provide financial or other support for such activities.

In appropriate circumstances, and when required by the government to do so, Bluestone may pay reasonable expenses for government officials. Such expenses may be approved when there is a legitimate business need for Bluestone to pay them, for example:

- in connection with contract negotiation or contract execution; or
- in connection with the promotion, demonstration, explanation or inspection of Bluestone's operations.

Such expenses may only be paid where permitted under local law and approved in advance by the CFO or CEO in writing. The expenses must be reasonable in amount and directly related to the business purpose.

Bluestone will not pay or reimburse travel or other expenses which are primarily for recreation or entertainment, or for an official's spouse or other family members.

Per diems or cash allowances must not be paid to government officials, except with the prior written authorization of the CFO or CEO.

Where at all possible, all expenses paid for government officials should be paid directly by Bluestone.

The payment of any expense for a government official must be accurately accounted for and described in Bluestone records. It must be accounted for in a separate expense report, accompanied by supporting documentation that identifies the type of expense incurred, the amount, the date provided, and the identity of the recipient.

## **8. POLITICAL CONTRIBUTIONS OR CHARITABLE CONTRIBUTIONS**

Bluestone assets (including money, property or other things of value) may not be contributed or otherwise made available to any political candidate, party or committee.

Bluestone may, from time to time, make charitable contributions with the prior approval of the CFO or CEO. All charitable contributions by or on behalf of Bluestone must be accounted for with supporting documentation, including a receipt or written acknowledgment of the donation from the recipient.

Bluestone, its Employees and Agents are prohibited from making contributions to any charity owned or controlled by a government official.

Employees and Agents may otherwise make contributions to charity with their own funds, but no such contributions will be reimbursed by Bluestone.

## **9. AVOIDING BRIBERY OF NON-GOVERNMENT PERSONNEL**

While the focus of this Policy is on avoiding bribery and corruption relating to government officials, bribery of non-government personnel is also illegal. Employees and Agents are prohibited from offering, paying, promising or authorizing any bribe to anyone else, including but not limited to non-government organizations, union officials, indigenous peoples, suppliers, off-takers or community leaders, whether directly or indirectly.

This Policy is not intended to discourage a reasonable expense incurred for building a relationship with non-government personnel, so long as:

- it is consistent with normal business customs in the host and recipient's country;
- it is provided in a transparent and open manner;
- the cost is reasonable;
- it is for a legitimate Bluestone business reason; and
- it does not create a sense of obligation on the part of the recipient.

All gifts in the form of cash, stock or other negotiable instruments are prohibited.

## **10. WHAT TO DO IN THE EVENT OF A REQUEST OR DEMAND FOR, OR OFFER OF, A BRIBE**

If anyone requests, demands or offers a bribe, you must decline, noting that Bluestone does not engage in bribery, and make a record of the request, demand or offer as soon as possible. The record should be marked "confidential" and promptly provided to the CFO or CEO so that the CFO or CEO can advise regarding the appropriate next steps.

## **11. AGENTS**

Association with an Agent who acts disreputably or illegally may cause Bluestone significant harm.

### ***Due Diligence on Agents***

Prior to entering into a business relationship with an Agent, a Bluestone employee (the “**Employee**”) must report the potential engagement in writing to the CFO or CEO. No Agent may be engaged without the pre-approval of the CFO or CEO.

The CFO or CEO will direct due diligence on the Agent that addresses:

- the qualifications of the Agent;
- the services the Agent will provide;
- the compensation Bluestone will provide and the basis for believing that compensation is reasonable, given the Agent’s experience, the country where the services are to be performed, the expected results and the amount and difficulty of the work to be performed;
- information regarding the Agent's character, reputation and history of conducting business in an ethical and legal manner;
- the business and government affiliations of the Agent and his or her family and close associates;
- if the Agent is not an individual, its directors, officers and shareholders; and
- the propriety of the potential engagement under local law.

The process and extent of due diligence to be performed depends on the circumstances and will be determined by the CFO or CEO. After completing due diligence as appropriate, a written summary of the due diligence findings should be recorded. At a minimum, documentation obtained through due diligence should be preserved.

#### ***Contracts with Agents***

Bluestone will only retain an Agent using a written agreement that defines the scope of the relationship and the compensation terms. All agreements with Agents will provide, among other things, that:

- the Agent represents that neither he, she or it, nor any of his, her or its owners, directors, principals or close relatives is a government official, and that he, she or it will promptly advise Bluestone of any change in that regard;
- the Agent commits to abide by this Policy and all applicable anti-corruption and anti-bribery laws as if he, she or it were an Employee;
- Bluestone has grounds to terminate the agreement if it has reasonable cause to believe that the Agent is violating or has violated any applicable anti-corruption or anti-bribery law; and
- Bluestone has the right to audit the Agent’s compliance with the agreement.

#### ***Managing Agents***

Bluestone will maintain a record of the names and contract terms for all Agents.

Payments made to any Agent must be appropriate remuneration for the legitimate services rendered, and must not:

- exceed the amount specified in the written agreement with the Agent;
- be paid in cash;
- be payable to any party other than the Agent at its normal place of business;
- be paid to a bank account different from the one specified in contractual documents; or
- reimburse the Agent for inappropriate or inappropriately documented expenses.

Employees responsible for engaging or working with Agents must regularly monitor the Agents’ performance and conduct.

Contracts with Agents must not be extended or renewed without the approval of the CFO or CEO.

## **12. INTERNAL CONTROLS**

Management of Bluestone and each subsidiary will maintain a system of internal controls to facilitate compliance with this Policy, foster a culture of integrity and maintain high ethical standards throughout Bluestone.

### 13. BOOKS AND RECORDS

Bluestone will maintain books and records that accurately reflect all transactions, use and disposition of assets, and other similar information. All Employees and Agents must ensure that:

- all gifts, hospitality, and other expenses are properly reported and recorded;
- any payment made on behalf of Bluestone is supported by appropriate documentation; and
- no Employees and Agents will create or help create any documents for concealing any improper activity.

In reviewing and approving expenses, or in the review of any books and records, any question which may arise in connection with this Policy is to be brought to the attention of the CFO or CEO.

### 14. COMMUNICATION OF THIS POLICY

All Employees and Agents will be informed of this Policy. Copies of this Policy will be provided to Employees and Agents directly and will also be posted, in English and Spanish, on Bluestone's website at [www.bluestonerresources.ca](http://www.bluestonerresources.ca). All Employees and Agents will be advised whenever significant changes are made to this Policy.

To ensure that Employees and Agents are aware of this Policy, a copy of this Policy will be distributed to all Employees and Agents who will be required to annually sign an acknowledgement that they have received, read, and will abide by the Policy. All Employees and Agents will be informed whenever significant changes have been made to this Policy. All new Employees and Agents will be provided with a copy of this Policy together with the *Code of Ethics* and advised of its importance. Any other stakeholders can refer to the Company website page for updated information on this Policy.

### 15. TRAINING, CERTIFICATION AND POLICY UPDATES

The CFO or CEO will establish and conduct a suitable training program for all appropriate new or existing Employees and Agents on the compliance goals and requirements of this Policy and will maintain records documenting the date and content of the training and the names of those trained.

All directors and officers of Bluestone together with any Employees and Agents specified by the Audit Committee of the Board must provide annual certification of compliance with this Policy.

The CFO or CEO will review this Policy and report to the Audit Committee on its effectiveness at least annually and will recommend updates of the Policy to the Board as necessary.

### 16. REPORTING VIOLATIONS

Bluestone expects all Employees and Agents to take steps to prevent a violation of this Policy, including identifying and raising potential issues before they lead to problems, and seeking additional guidance when necessary.

Employees and Agents who become aware of an actual or potential violation of this Policy must promptly report the matter to his supervisor, the CFO or CEO or the Chair of the Audit Committee, or by calling the toll-free number established for purposes of the Bluestone Whistleblower Policy: 1-866-921-6714, in North America, or call collect: 1-604-922-5953 in Guatemala (in Spanish).

Employees and Agents may submit their concerns confidentially and, if desired, anonymously, in writing marked "Private and Confidential" to Bluestone Resources Inc., 1020 - 800 West Pender Street, Vancouver, BC V6C 2V6, Attention: Audit Committee Chair.

Employees and Agents who raise concerns will not be subject to retaliation or disciplinary action. Retaliation by anyone for the making of a good faith report of a possible violation of the law or this Policy is prohibited and will result in disciplinary action, up to and including termination.

If Employees and Agent report the matter to a supervisor, that supervisor will immediately communicate the information to the CFO or CEO. The CFO or CEO, in turn, will report all violations or potential violations of this Policy or applicable anti-corruption laws to the Audit Committee Chair, and the Audit Committee in consultation with the CFO or CEO will determine the most appropriate method to investigate the substance of the claims and resolve the matter.

#### **17. CONSEQUENCES OF VIOLATION**

Acts by Employees and Agents in violation of this Policy or applicable laws relating to bribery and corruption, including the CFPOA, may damage Bluestone reputation and jeopardize its future business opportunities, expose Bluestone to scrutiny by regulatory bodies and make Bluestone complicit in any illegal acts. Bribery and corruption are very serious offences, and corrupt behaviour by Employees and Agents could expose Bluestone and its Employees and Agents to criminal liability including significant fines and, in the case of individuals, imprisonment for up to 14 years.

Breaches of this Policy will be regarded by Bluestone as serious misconduct, which may lead to disciplinary action, up to and including termination of the employment or engagement of the Employee or Agent.

#### **18. QUESTIONS**

Any questions regarding this Policy should be directed by email to the CFO (Peter Hemstead: [pemstead@bluestonerresources.ca](mailto:pemstead@bluestonerresources.ca)) or the CEO (Darren Klinck: [darren.klinck@bluestonerresources.ca](mailto:darren.klinck@bluestonerresources.ca)).

Original approval date: March 8, 2018

Approved by: Corporate Governance & Nominations Committee and Board of Directors